

**RESOLUTION 22-43
OF THE BOARD OF DIRECTORS OF HELIX WATER DISTRICT
AUTHORIZING THE EXECUTION OF A FIRST AMENDMENT TO THE EXISTING AS-NEEDED
ASPHALTIC CONCRETE AND CONCRETE REPAIR SERVICES CONTRACT INCREASING
UNIT COSTS IN THE SCHEDULE OF CHARGES AND THE CONTRACT VALUE IN AN AMOUNT NOT
TO EXCEED \$1,820,000**

WHEREAS, on March 16, 2022, the Helix Water District Board of Directors unanimously approved a two-year as-needed asphaltic concrete and concrete repair services contract with Sealright Paving Inc.; and

WHEREAS, since the award of the contract, petroleum costs have risen dramatically, resulting in significant unforeseen raw material and operational cost increases; and

WHEREAS, in July 2022, the district was approached by Sealright Paving Inc. with a request to amend the existing contract by adjusting the schedule of charges, which defines the unit cost for the different types of work performed, to account for the raw material price increases; and

WHEREAS, district staff has reviewed the updated schedule of charges, which reflects the pass-through increase, and invoices from the material suppliers, and has determined that material costs associated with this contract have increased significantly since contract execution, in some cases over 50%; and

WHEREAS, based on discussions between district staff and the contractor, it is agreed that this level of hyper-inflation could not have been reasonably forecasted at the time of the contract bid and that an amendment to the schedule of charges reflecting the increase in material costs is reasonable and appropriate; and

WHEREAS, based on the amended schedule of charges, the projected impact to the total contract value is an additional \$192,100, and district staff is recommending adding this amount to the value of the contract by adjusting the not-to-exceed amount from \$1,626,168 to \$1,820,000; and

WHEREAS, Sealright Paving Inc. has performed district work in an acceptable manner and district staff does not believe that rebidding the contract will result in a lower bid; and

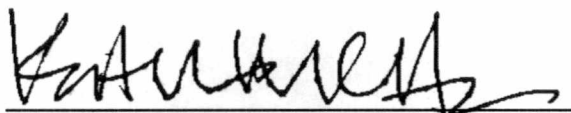
NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Helix Water District Board of Directors that the general manager be and is hereby authorized and directed to execute said first amendment to the existing as-needed asphaltic concrete and concrete repair services contract with Sealright Paving Inc. of Spring Valley, California, increasing unit costs in the schedule of charges and the contract value in an amount not to exceed \$1,820,000. There is adequate funding to cover this adjustment and funding for this contract will be dispersed among several budget schedules in the fiscal years 2022-23 and 2023-24 operational budgets.

PASSED, ADOPTED AND APPROVED this 17th day of August 2022, by the following vote:

AYES: Hedberg, Verbeke, McMillan, Gracyk, Scalzitti

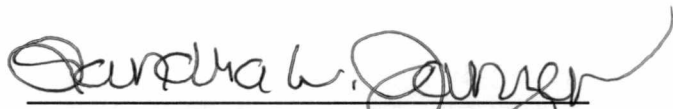
NOES: None

ABSENT: None



Kathleen Coates Hedberg, President

ATTEST:


Sandra L. Janzen, Secretary of the Board